



Dave Goetz
Commissioner
Dept. of Finance and Administration

State Capitol
Nashville, TN 37243-0285
615/741-2401

FOR IMMEDIATE RELEASE
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CONTACT: JERRY ADAMS
615-741-2401

JANUARY REVENUES

NASHVILLE - Sales tax collections for January were more than the state estimated, making up for lower-than-expected franchise and excise tax collections. Finance and Administration Commissioner Dave Goetz reported today that January revenues were only slightly above the budgeted estimate, at \$240,000 more than the state budgeted.

"Overall, revenues are on target for what we would expect, considering that we typically prepare our budget on the conservative side of projections," Goetz said.

On an accrual basis January is the sixth month in the 2005-2006 fiscal year. Department of Revenue collections were \$954.3 million.

The general fund was \$2.6 million undercollected and the four other funds overcollected by \$2.8 million.

Sales tax collections were \$25.9 million more than the estimate in January. For six months revenues were overcollected by \$28.6 million.

Franchise and excise taxes were \$30.3 million less than the estimate of \$149.3 million. For six months revenues were \$2.9 million undercollected.

Gasoline and motor fuel collections increased by 2.56% and were \$2.1 million more than the budgeted estimate of \$69.2 million. For six months, collections were \$9.2 million more than the estimate.

Year-to-date collections for six months were \$63.1 million more than the budgeted estimate. The general fund was overcollected by \$53.5 million and the four other funds were overcollected by \$9.5 million.

The revised estimates presented in the new budget document assume an \$86 million surplus in sales tax collections, a surplus of \$61.6 million in franchise and excise taxes, and a general fund surplus of \$177.4 million.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the first session of the 104th General Assembly in May of last year.

<p align="center">REVENUE COLLECTIONS JANUARY, 2006, AND 6 MONTHS YEAR-TO-DATE</p>

January Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$816,342,000	\$813,780,000	(\$2,562,000)
Highway Fund	49,996,000	50,711,000	715,000
Sinking Fund	23,922,000	24,083,000	161,000
City & County Fund	60,611,000	62,996,000	2,385,000
Earmarked Fund	3,221,000	2,762,000	(459,000)
Total	\$954,092,000	\$954,332,000	\$240,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$4,032,651,000	\$4,086,120,000	\$53,469,000
Highway Fund	307,260,000	312,059,000	4,799,000
Sinking Fund	139,256,000	139,400,000	144,000
City & County Fund	340,291,000	346,802,000	6,511,000
Earmarked Fund	15,983,000	14,133,000	(1,850,000)
Total	\$4,835,441,000	\$4,898,514,000	\$63,073,000

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	January			
	2005	2006	Change	Percent
Franchise & Excise	\$149,517,000	\$119,000,000	-\$30,517,000	-20.41%
Income	2,865,000	3,849,000	984,000	34.35%
Inheritance & Estate	8,286,000	3,854,000	-4,432,000	-53.49%
Gasoline	50,895,000	52,188,000	1,293,000	2.54%
Petroleum Special	5,307,000	5,418,000	111,000	2.09%
Tobacco	8,952,000	9,805,000	853,000	9.53%
Beer	1,165,000	1,349,000	184,000	15.79%
Motor Vehicle Registration	17,659,000	16,402,000	-1,257,000	-7.12%
Motor Vehicle Title	955,000	847,000	-108,000	-11.31%
Mixed Drink	3,932,000	4,629,000	697,000	17.73%
Business	1,341,000	1,227,000	-114,000	-8.50%
Privilege	21,753,000	25,689,000	3,936,000	18.09%
Gross Receipts	114,000	92,000	-22,000	-19.30%
TVA - In Lieu of Tax Payments	18,038,000	18,344,000	306,000	1.70%
Alcoholic Beverage	4,676,000	4,794,000	118,000	2.52%
Sales and Use	620,405,000	672,807,000	52,402,000	8.45%
Motor Vehicle Fuel	13,366,000	13,744,000	378,000	2.83%
Severance	91,000	158,000	67,000	73.63%
Coin-operated Amusement	4,000	0	-4,000	-100.00%
Unauthorized Substance	0	136,000	136,000	NA
Total	\$929,321,000	\$954,332,000	\$25,011,000	2.69%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - January			
	2004-2005	2005-2006	Change	Percent
Franchise & Excise	\$556,001,000	\$595,458,000	\$39,457,000	7.10%
Income	10,004,000	14,744,000	4,740,000	47.38%
Inheritance & Estate	40,143,000	39,852,000	-291,000	-0.72%
Gasoline	308,934,000	309,687,000	753,000	0.24%
Petroleum Special	32,191,000	32,828,000	637,000	1.98%
Tobacco	59,661,000	62,283,000	2,622,000	4.39%
Beer	8,614,000	8,923,000	309,000	3.59%
Motor Vehicle Registration	102,346,000	103,819,000	1,473,000	1.44%
Motor Vehicle Title	5,497,000	5,346,000	-151,000	-2.75%
Mixed Drink	20,967,000	24,057,000	3,090,000	14.74%
Business	7,761,000	8,434,000	673,000	8.67%
Privilege	120,262,000	142,114,000	21,852,000	18.17%
Gross Receipts	13,038,000	12,939,000	-99,000	-0.76%
TVA - In Lieu of Tax Payments	106,700,000	109,954,000	3,254,000	3.05%
Alcoholic Beverage	19,718,000	20,739,000	1,021,000	5.18%
Sales and Use	3,076,238,000	3,313,914,000	237,676,000	7.73%
Motor Vehicle Fuel	86,356,000	91,956,000	5,600,000	6.48%
Severance	709,000	936,000	227,000	32.02%
Coin-operated Amusement	64,000	61,000	-3,000	-4.69%
Unauthorized Substance	0	470,000	470,000	NA
Total	\$4,575,204,000	\$4,898,514,000	\$323,310,000	7.07%

Table 3
August - January Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ 27,300,000	\$ 1,300,000	\$ 28,600,000
Income Tax	1,700,000	700,000	2,400,000
Inheritance Tax	(4,400,000)	0	(4,400,000)
Privilege Tax	22,300,000	(1,800,000)	20,500,000
Business Tax	1,100,000	0	1,100,000
TVA	(100,000)	0	(100,000)
Gross Receipts	1,700,000	0	1,700,000
Gasoline & Motor Fuel Taxes	200,000	9,000,000	9,200,000
Motor Vehicle Registration	(200,000)	(900,000)	(1,100,000)
Other Taxes	6,800,000	1,300,000	8,100,000
Sub-Total	\$ 56,400,000	\$ 9,600,000	\$ 66,000,000
F & E Taxes	(2,900,000)	0	(2,900,000)
Total	\$ 53,500,000	\$ 9,600,000	\$ 63,100,000